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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 001971

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TAGS: [ECON](#) [ENRG](#) [PGOV](#) [PREL](#) [PINR](#) [IZ](#)  
SUBJECT: AMBASSADOR MEETS PROACTIVE NEW MINISTER OF  
ELECTRICITY KARIM WAHID

Classified By: Ambassador Zalmay Khalilzad, for reasons 1.4 (a) and (d)

1. (C) SUMMARY: In his initial meeting with the Ambassador on May 25, newly-appointed Minister of Electricity (MoE) Karim Wahid al-Hasan impressed us as technically very competent and eager to work with the U.S. Wahid doubted whether initiatives on fuel import liberalization (which could improve MoE access to appropriate fuels for power generation) could proceed without strong leadership from the National Energy Committee (NEC). Karim also questioned whether Deputy Prime Minister Barham Saleh, if appointed head of the NEC, has a strong enough relationship with Prime Minister Maliki to move this issue. The Minister was presented with a package of materials outlining USG recommendations for electricity sector priorities and policy recommendations, as well as logistical support the Embassy could provide. END SUMMARY.

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National Energy Committee Leadership Still Unsettled  
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2. (C) The Ambassador praised the Minister's technical background and noted that his appointment was among the least political in the Cabinet. The USG, Ambassador added, is eager to move forward with the joint energy planning process. Despite uncertainty about PM Maliki's intentions for who will lead the National Energy Committee (both the Ministers of Interior and Electricity have been mooted as possible heads of that body), Ambassador explained that we are confident that Karim's input will be integral to meeting Iraq's energy needs. The Ambassador also suggested a public ceremony, with either the PM or the Minister of Electricity presiding, to commemorate the turnover of two 120 megawatt (MW) generators in South Baghdad from U.S. to Iraqi operation.

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Intention to Quickly Boost Power Supplies  
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3. (C) Karim's background in electrical engineering was evident in his discussion of technical details of specific facilities. He explained that, as a member of the National Energy Committee (NEC) and energy advisor to former DPM Ahmed Chalabi, he is very familiar with the Ministry of Electricity, its staff, and U.S. electricity experts who have been assisting the Ministry. The Ministry has been struggling, Karim acknowledged, but it plans to boost electrical generation and transmission as soon as possible. To address security problems on key lines (e.g., Bayji to Baghdad), Karim said he plans to reach out to tribal leaders to influence the insurgents responsible for interdictions. He also outlined an optimistic intention to provide Baghdad

with at least 12 hours of power per day by June 15 and a further 6 hours by mid-July. (NOTE: Baghdad currently averages 4 hours of power per day. END NOTE.)

14. (C) The Ambassador emphasized the importance of coordination between the Ministries of Oil and Electricity to ensure adequate high-quality fuel supplies for power generation. Karim said that he plans to create an energy committee comprising representatives from the Ministries of Electricity, Oil, Water, and Finance to address complex issues including fuel subsidy reform and infrastructure investment. To indicate Mission's readiness to advise on fuel liberalization, Emboffs referred to fuel policy options and recommendations on the issue that had been given to Chalabi. Karim responded that cooperation on these issues will depend on the new NEC leader's reception of U.S. assistance, and he questioned whether DPM for Economics Barham Saleh's relationship with the PM is good enough to secure the position. Karim added that he had met Barham twice so far and noted positively that they "were talking the same language." When asked about his ability to work with the Ministry of Finance and its chief, the former Minister of Interior Bayan Jabr, to push forward on a fuel import liberalization plan, he advised that it "might be easier to work directly with the Prime Minister."

15. (C) Karim brought up the issue of restricted access to electricity facilities (in particular the Haditha Dam plant) due to their use by the U.S. for military bases. These restrictions interfere with technicians making repairs, Karim explained. The Ambassador suggested that joint MoE-MNF-I teams collaborate on a mutually acceptable solution to the problem. Karim also asked for access to U.S. helicopter assets to access the MoE's scattered facilities more easily.

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Comment  
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16. (C) COMMENT: In our first encounter with Karim in his new responsibilities, he came across as very knowledgeable. He was impressive in describing repair work already under way, and practical in zeroing in on areas where U.S. assistance would be necessary. The only portion of his discussion that had an air of overreach was his firm intention to supply Baghdad with 12 hours of power per day within the next three weeks and 18 hours per day a month later. Karim listed all the various sources of new megawatts coming on-line in coming weeks to make that goal theoretically possible. He was, however, quite clear on the need for increased transmission line protection as well -- which will require coordination with Coalition Forces. In short, the new minister is energetic and knowledgeable. Even if he misses his June and July targets, we may well see progress at MoE that previously seemed quite out of reach.  
KHALILZAD